

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEW HAMPSHIRE

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	Case No.
)	
v.)	
)	
JAMES B. HOBBS, MARJORIE L.)	
HOBBS, BANCO POPULAR DE)	
PUERTO RICO, GOLDMAN SACHS)	
MORTGAGE COMPANY,)	
PROVIDIAN NATIONAL BANK,)	
JEFFREY KRAH, AS ADMINISTRATOR)	
OF THE ESTATE OF BLANCHE)	
KRAH, TOWN OF AMHERST,)	
BRIAN MADGE, and JENNIFER)	
MADGE,)	
)	
Defendants.)	

COMPLAINT

The plaintiff United States of America hereby asserts a complaint against defendants James B. Hobbs, Marjorie L. Hobbs, Banco Popular De Puerto Rico, Goldman Sachs Mortgage Company, Providian National Bank, Jeffrey Krah, As Administrator of the Estate of Blanche Krah, Town of Amherst, Brian Madge, and Jennifer Madge, and alleges as follows:

1. Pursuant to the provisions of 26 U.S.C. §§ 7401 and 7403(a), with the authorization and sanction of the Secretary of the Treasury and at the direction of the Attorney General, the United States brings this complaint: (i) seeking a judgment against James B. Hobbs for tax debts and (ii) enforcing the federal tax liens associated with those debts against a parcel of real property held in the names of James B. Hobbs and Marjorie L. Hobbs.

JURISDICTION AND VENUE

2. Jurisdiction over this action is conferred upon the district court in 26 U.S.C. §§

7402(a) and 7403, and 28 U.S.C. §§ 1331, 1340 and 1345.

3. Defendant James B. Hobbs (hereinafter “Taxpayer”) resides within the jurisdiction of this Court.

4. Defendant Marjorie L. Hobbs is within the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because she has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

5. Defendant Banco Popular De Puerto Rico is subject to the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because it has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

6. Defendant Goldman Sachs Mortgage Company is subject to the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because it has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

7. Defendant Providian National Bank is subject to the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because it has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

8. Defendant Jeffrey Krah, as Administrator of the Estate of Blanche Krah, is within the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because the estate has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

9. Defendant Town of Amherst is within the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because it has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

10. Defendant Brian Madge is within the jurisdiction of this Court and is joined to this

action pursuant to 26 U.S.C. § 7403(b), because it has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

11. Defendant Jennifer Madge is within the jurisdiction of this Court and is joined to this action pursuant to 26 U.S.C. § 7403(b), because she has, or may claim, an interest in the real property upon which the United States seeks to enforce its liens.

COUNT I
(Suit for judgment of unpaid tax liabilities)

12. The United States incorporates by reference the allegations of paragraphs 1-3.

13. On the following dates, a delegate of the Secretary of the Treasury of the United States made the following assessments against the Taxpayer for withheld income and Federal Insurance Contributions Act (“FICA”) taxes, as well as the employer’s portion of the FICA taxes (“Form 941” taxes), penalties, and interest, for the following periods and in the following amounts, which have a balance due with accruals as of May 10, 2010, as follows:

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
12/31/99	04/02/01	Assessment of Tax	\$9,178.00	
	04/02/01	Late Filing Penalty	\$2,294.50	
	04/02/01	Federal Tax Deposit Penalty	\$917.79	
	05/07/01	Federal Tax Deposit Penalty	\$458.90	
	06/10/02	Interest	\$1,249.18	
		Fees and Collection Costs	\$405.00	
		Fees and Collection Costs	\$89.25	
*****	*****	*****	*****	\$24,791.40

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
03/31/00	04/25/05	Assessment of Tax	\$5,727.66	
	04/25/05	Late Filing Penalty	\$1,431.91	
	04/25/05	Federal Tax Deposit Penalty	\$572.76	
	05/30/05	Federal Tax Deposit Penalty	\$286.38	
	04/25/05	Interest	\$2,568.45	
*****	*****	*****	*****	\$15,941.38
06/30/00	04/25/05	Assessment of Tax	\$5,727.66	
	04/25/05	Late Filing Penalty	\$1,431.91	
	04/25/05	Federal Tax Deposit Penalty	\$572.76	
	05/30/05	Federal Tax Deposit Penalty	\$286.38	
	04/25/05	Interest	\$2,350.88	
*****	*****	*****	*****	\$15,643.16
09/30/00	04/25/05	Assessment of Tax	\$5,727.66	
	04/25/05	Late Filing Penalty	\$1,431.91	
	04/25/05	Federal Tax Deposit Penalty	\$572.76	
	05/30/05	Federal Tax Deposit Penalty	\$286.38	
	04/25/05	Interest	\$2,138.16	
*****	*****	*****	*****	\$15,351.59
12/31/00	06/13/05	Assessment of Tax	\$5,727.66	
	06/13/05	Late Filing Penalty	\$1,288.72	
	06/13/05	Federal Tax Deposit Penalty	\$572.76	
	07/18/05	Federal Tax Deposit Penalty	\$286.38	
	06/13/05	Failure to Pay Tax Penalty	\$1,431.91	
	06/13/05	Interest	\$1,963.43	
*****	*****	*****	*****	\$15,322.70

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
03/31/01	04/18/05	Assessment of Tax	\$5,248.48	
	04/18/05	Late Filing Penalty	\$1,180.91	
	04/18/05	Federal Tax Deposit Penalty	\$524.85	
	05/23/05	Federal Tax Deposit Penalty	\$262.42	
	04/18/05	Failure to Pay Tax Penalty	\$1,259.64	
	04/18/05	Interest	\$1,553.38	
*****	*****	*****	*****	\$13,813.83
06/30/01	04/18/05	Assessment of Tax	\$5,248.48	
	04/18/05	Late Filing Penalty	\$1,180.91	
	04/18/05	Federal Tax Deposit Penalty	\$524.85	
	05/23/05	Federal Tax Deposit Penalty	\$262.42	
	04/18/05	Failure to Pay Tax Penalty	\$1,180.91	
	04/18/05	Interest	\$1,400.71	
*****	*****	*****	*****	\$13,575.03
09/30/01	04/11/05	Assessment of Tax	\$5,248.48	
	04/11/05	Late Filing Penalty	\$1,180.91	
	04/18/05	Federal Tax Deposit Penalty	\$524.82	
	05/16/05	Federal Tax Deposit Penalty	\$262.41	
	04/11/05	Failure to Pay Tax Penalty	\$1,102.18	
	04/11/05	Interest	\$1,254.94	
*****	*****	*****	*****	\$13,360.73

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
12/31/01	04/11/05	Assessment of Tax	\$5,248.48	
	04/11/05	Late Filing Penalty	\$1,180.91	
	04/11/05	Federal Tax Deposit Penalty	\$524.82	
	05/16/05	Federal Tax Deposit Penalty	\$262.41	
	04/11/05	Failure to Pay Tax Penalty	\$1,023.45	
	04/11/05	Interest	\$1,126.98	
		Fees and Collection Costs	\$58.00	
*****	*****	*****	*****	\$13,233.70
03/31/02	04/11/05	Assessment of Tax	\$5,228.55	
	04/11/05	Late Filing Penalty	\$1,176.42	
	04/11/05	Federal Tax Deposit Penalty	\$522.85	
	05/16/05	Federal Tax Deposit Penalty	\$261.43	
	04/11/05	Failure to Pay Tax Penalty	\$941.14	
	04/11/05	Interest	\$1,013.37	
*****	*****	*****	*****	\$12,926.07
06/30/02	04/11/05	Assessment of Tax	\$5,228.55	
	04/11/05	Late Filing Penalty	\$1,176.42	
	04/11/05	Federal Tax Deposit Penalty	\$522.85	
	05/16/05	Federal Tax Deposit Penalty	\$261.43	
	04/11/05	Failure to Pay Tax Penalty	\$862.71	
	04/11/05	Interest	\$902.03	
*****	*****	*****	*****	\$12,743.76

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
09/30/02	04/11/05	Assessment of Tax	\$5,228.55	
	04/11/05	Late Filing Penalty	\$1,176.42	
	04/11/05	Federal Tax Deposit Penalty	\$522.85	
	05/16/05	Federal Tax Deposit Penalty	\$261.43	
	04/11/05	Failure to Pay Tax Penalty	\$784.28	
	04/11/05	Interest	\$792.34	
*****	*****	*****	*****	\$12,563.78
12/31/02	04/25/05	Assessment of Tax	\$5,228.55	
	04/25/05	Late Filing Penalty	\$1,176.42	
	04/25/05	Federal Tax Deposit Penalty	\$522.84	
	05/30/05	Federal Tax Deposit Penalty	\$261.43	
	04/25/05	Failure to Pay Tax Penalty	\$705.85	
	04/25/05	Interest	\$706.71	
*****	*****	*****	*****	\$12,389.62
03/31/03	04/18/05	Assessment of Tax	\$5,031.57	
	04/18/05	Late Filing Penalty	\$1,132.10	
	04/18/05	Federal Tax Deposit Penalty	\$503.16	
	05/23/05	Federal Tax Deposit Penalty	\$251.58	
	04/18/05	Failure to Pay Tax Penalty	\$603.79	
	04/18/05	Interest	\$589.39	
*****	*****	*****	*****	\$11,783.38

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
06/30/03	04/11/05	Assessment of Tax	\$5,031.57	
	04/11/05	Late Filing Penalty	\$1,132.10	
	04/11/05	Federal Tax Deposit Penalty	\$503.16	
	05/16/05	Federal Tax Deposit Penalty	\$251.58	
	04/11/05	Failure to Pay Tax Penalty	\$528.31	
	04/11/05	Interest	\$497.16	
*****	*****	*****	*****	\$11,641.27
09/30/03	04/25/05	Assessment of Tax	\$5,031.57	
	04/25/05	Late Filing Penalty	\$1,132.10	
	04/25/05	Federal Tax Deposit Penalty	\$503.16	
	05/30/05	Federal Tax Deposit Penalty	\$251.58	
	04/25/05	Failure to Pay Tax Penalty	\$452.82	
	04/25/05	Interest	\$434.50	
*****	*****	*****	*****	\$11,502.35
12/31/03	04/25/05	Assessment of Tax	\$5,031.57	
	04/25/05	Late Filing Penalty	\$1,132.10	
	04/25/05	Federal Tax Deposit Penalty	\$503.16	
	05/30/05	Federal Tax Deposit Penalty	\$251.58	
	04/25/05	Failure to Pay Tax Penalty	\$377.37	
	04/25/05	Interest	\$368.38	
*****	*****	*****	*****	\$11,383.73
			Total Due as of May 10, 2010:	\$237,967.48

14. On the dates of the tax assessments described in paragraph 13, above, a delegate of the Secretary of the Treasury gave notice of the tax assessments to, and made a demand for payment upon, the Taxpayer.

15. Despite such notice and demand, the Taxpayer has failed, neglected, or refused to pay in full the liabilities described in paragraph 13, above, and, as of May 10, 2010, the Taxpayer remains indebted to the United States for those liabilities, after taking into account all payments, credits, and abatement, in the amount of \$237,967.48, including interest and statutory accruals, plus such additional amounts as may continue to accrue after May 10, 2010.

16. On the following dates, a delegate of the Secretary of the Treasury of the United States made the following assessments against the Taxpayer for Federal Unemployment Tax Act (“FUTA”) taxes (“Form 940” taxes), penalties, and interest, for the following periods and in the following amounts, which have a balance due with accruals as of May 10, 2010, as follows:

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
12/31/99	03/26/01	Assessment of Tax	\$6,448.00	
	03/26/01	Late Filing Penalty	\$1,612.00	
	03/26/01	Federal Tax Deposit Penalty	\$644.80	
	03/26/01	Interest	\$862.69	
	04/30/01	Federal Tax Deposit Penalty	\$322.40	
		Fees and Collection Costs	\$116.00	
		Fees and Collection Costs	\$116.00	
*****	*****	*****	*****	\$3,767.76

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
12/31/00	05/02/05	Assessment of Tax	\$5,095.59	
	05/02/05	Late Filing Penalty	\$1,146.51	
	05/02/05	Federal Tax Deposit Penalty	\$509.56	
	05/02/05	Failure to Pay Tax Penalty	\$1,273.90	
	05/02/05	Interest	\$1,691.82	
	06/06/05	Federal Tax Deposit Penalty	\$254.78	
*****	*****	*****	*****	\$13,650.99
12/31/01	05/02/05	Assessment of Tax	\$4,688.07	
	05/02/05	Late Filing Penalty	\$1,054.82	
	05/02/05	Federal Tax Deposit Penalty	\$468.80	
	05/02/05	Failure to Pay Tax Penalty	\$937.61	
	05/02/05	Interest	\$1,029.96	
	06/06/05	Federal Tax Deposit Penalty	\$234.40	
*****	*****	*****	*****	\$11,751.80
12/31/02	04/18/05	Assessment of Tax	\$4,715.72	
	04/18/05	Late Filing Penalty	\$1,061.04	
	04/18/05	Federal Tax Deposit Penalty	\$471.56	
	04/18/05	Failure to Pay Tax Penalty	\$636.62	
	04/18/05	Interest	\$630.03	
	05/23/05	Federal Tax Deposit Penalty	\$235.79	
*****	*****	*****	*****	\$11,176.57

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
12/31/03	05/02/05	Assessment of Tax	\$4,712.12	
	05/02/05	Late Filing Penalty	\$1,060.23	
	05/02/05	Federal Tax Deposit Penalty	\$471.20	
	05/02/05	Failure to Pay Tax Penalty	\$376.97	
	05/02/05	Interest	\$352.02	
	06/06/05	Federal Tax Deposit Penalty	\$235.61	
*****	*****	*****	*****	\$10,667.99
			Total Due as of May 10, 2010:	\$51,015.11

17. On the dates of the tax assessments described in paragraph 16, above, a delegate of the Secretary of the Treasury gave notice of the tax assessments to, and made a demand for payment upon, the Taxpayer.

18. Despite such notice and demand, the Taxpayer has failed, neglected, or refused to pay in full the liabilities described in paragraph 16, above, and, as of May 10, 2010, the Taxpayer remains indebted to the United States for those liabilities, after taking into account all payments, credits, and abatements, in the amount of \$51,015.11, including interest and statutory accruals, plus such additional amounts as may continue to accrue after May 10, 2010.

19. On the following dates, a delegate of the Secretary of the Treasury of the United States made the following assessments against the Taxpayer for civil penalties under 26 U.S.C. § 6721 (“§ 6721”), along with penalties and interest, for the following periods and in the following amounts, which have a balance due with accruals as of May 10, 2010, as follows:

Tax Period	Assessment Date	Assessment Type	Assessment Amount	Balance Due as of May 10, 2010
12/31/98	01/28/02	Penalty under 26 U.S.C. § 6721 for Intentional Disregard, Failure to File W-2s	\$6,893.07	
		Fees and Collection Costs	\$29.00	
*****	*****	*****	*****	\$11,176.20
12/31/99	11/04/02	Penalty under 26 U.S.C. § 6721 for Intentional Disregard, Failure to File W-2s	\$10,400.00	
*****	*****	*****	*****	\$16,045.02
			Total Due as of May 10, 2010:	\$27,221.22

20. On the dates of the assessments described in paragraph 19, above, a delegate of the Secretary of the Treasury gave notice of the assessments to, and made a demand for payment upon, the Taxpayer.

21. Despite such notice and demand, the Taxpayer has failed, neglected, or refused to pay in full the liabilities described in paragraph 19, above, and, as of May 10, 2010, the Taxpayer remains indebted to the United States for those liabilities, after taking into account all payments, credits, and abatements, in the amount of \$27,221.22, including interest and statutory accruals, plus such additional amounts as may continue to accrue after May 10, 2010.

COUNT II (enforcement of federal tax liens)

22. The United States incorporates by reference the allegations of paragraphs 1-21, above.

23. The failure, neglect, or refusal of the Taxpayer to pay the assessments made against him following notice of the assessments and demand for payment of the same, gave rise, as of the

dates of the assessments, to liens in favor of the United States, pursuant to 26 U.S.C. §§ 6321 and 6322, upon all of the property and rights to property belonging to the Taxpayer in an amount equal to the unpaid assessments, plus interest and other accruals permitted by law.

24. On each of the following days, and on subsequent days, the Internal Revenue Service filed a Notice of Federal Tax Lien, in accordance with 26 U.S.C. § 6323(f), with the Register of Deeds, Hillsborough County, Nashua, New Hampshire, for the tax types and periods as follows:

Type of Tax	Tax Period Ending	Date of Filing or Refiling
Form 941	12/31/99	09/20/01
Form 941	12/31/03	07/11/05
Form 941	03/31/00	07/11/05
Form 941	06/30/00	07/11/05
Form 941	09/30/00	07/11/05
Form 941	12/31/00	07/11/05
Form 941	03/31/01	07/11/05
Form 941	06/30/01	07/11/05
Form 941	09/30/01	07/11/05
Form 941	12/31/01	07/11/05
Form 941	03/31/02	07/11/05
Form 941	06/30/02	07/11/05
Form 941	09/30/02	07/11/05
Form 941	12/31/02	07/11/05
Form 941	03/31/03	07/11/05
Form 941	06/30/03	07/11/05
Form 941	09/30/03	07/11/05
Form 941	12/31/03	07/11/05
Form 940	12/31/99	09/20/01
Form 940	12/31/00	07/11/05
Form 940	12/31/01	07/11/05
Form 940	12/31/02	07/11/05
Form 940	12/31/03	07/11/05
Form § 6721	12/31/98	10/07/04
Form § 6721	12/31/99	10/07/04

25. By warranty deed dated July 31, 1996, and recorded on August 1, 1996, with the Register of Deeds, Hillsborough County, Nashua, New Hampshire, at Book 5740, Page 599, record title to the property commonly known as 22 Aglipay Drive, Amherst, New Hampshire (hereinafter "Property"), which is more fully described as:

A tract of land, with the buildings thereon, situate in Amherst, County of Hillsborough and State of New Hampshire, bounded and described as follows:

Beginning on the westerly line of Aglipay Drive at the southeasterly corner of Lot No. 18; thence

1) Westerly by Lot No. 18, 200 feet; thence

2) Southerly by land now or formerly of Felix and Rita Quibin, 155 feet; thence

3) Easterly by land of Quibin and by Aglipay Drive to a curve in said Drive; thence

4) Northeasterly and northerly by said Drive to the point of beginning.

Said premises are known as Lot No. 19, as shown on a plan of land of Felix and Rita A. Quibin dated April 2, 1968 and filed in the Hillsborough County Registry of Deeds as Plan #3870 (2-31).

Being the same premises conveyed to James B. Hobbs and Marjorie L. Hobbs by deed of Peter A. Ketteridge and Suzanne Ketteridge dated July 31, 1996 and recorded in the Hillsborough County Registry of Deeds.

was transferred to James B. Hobbs and Marjorie L. Hobbs, husband and wife, as joint tenants with rights of survivorship.

26. The plaintiff United States has valid and subsisting federal tax liens on all property and rights to property belonging to the Taxpayer, including the Property.

27. Pursuant to 26 U.S.C. § 7403, the United States is entitled to enforce its liens against the Property, to have that Property sold at a judicial sale, free and clear of all rights, titles, claims, and interests of the parties, and to have the proceeds distributed, after the payment of the

cost of sale and any real estate taxes due and owing, to the United States and the other parties in accordance with the law.

WHEREFORE, the plaintiff United States of America prays:

A. That the Court enter judgment in favor of the plaintiff United States and against defendant James B. Hobbs in the amount of \$316,203.81, plus interest and other statutory additions accruing after May 10, 2010, including interest pursuant to 26 U.S.C. §§ 6601, 6621, and 6622, and 28 U.S.C. § 1961(c);

B. That the Court determine and adjudge that the United States has a valid and subsisting federal tax liens on all property and rights to property of the defendant James B. Hobbs, including his interest in the Property;

C. That the Court order that the federal tax liens be enforced and that said Property may be sold in a judicial sale, according to law, free and clear of all rights, titles, and interests of the parties, with the net proceeds of the sale, after the satisfaction of the direct costs of sale and any real estate taxes due and owing, to be allocated among the interests of the defendants in accordance with their lawful priorities; and,

D. That the United States shall recover its costs in the action, and be awarded such other and further relief as the Court determines is just and proper.

Dated: March 25, 2011.

JOHN A. DiCICCO
Principal Deputy Assistant Attorney General
U.S. Department of Justice, Tax Division

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